

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No. 94-1317 (TFH)
MCI COMMUNICATIONS)	
CORPORATION and)	
BT FORTY-EIGHT COMPANY)	
("NewCo"),)	Filed:
)	
Defendants.)	
)	

STIPULATION

It is stipulated and agreed by and between the undersigned parties by their respective attorneys, that:

1. The Court has jurisdiction over the defendants and, for the limited purpose of enforcing this Stipulation, over British Telecommunications plc ("BT").
2. The parties to this Stipulation consent to the modification of the Final Judgment entered by this Court on September 29, 1994, as shown in the attached Modified Final Judgment filed with this Stipulation. The parties further consent that the Modified Final Judgment in the form attached may be entered by the Court, upon any party's motion, at any time after the completion of the procedures specified in the United States' Explanation of Procedures, attached to this Stipulation, without further notice to any party or other proceedings, provided that plaintiff has not withdrawn its consent,

which it may do at any time before entry of the Modified Final Judgment by serving notice on the defendants and BT and by filing that notice with the Court.

3. BT and defendant MCI have entered into a Merger Agreement and Plan of Merger dated November 3, 1996 ("Merger Agreement"), whereby MCI shall be merged into a wholly-owned subsidiary of BT. Upon completion of the merger, the parent company, BT, will be renamed Concert plc ("Concert"). The parties have agreed that this Court shall have jurisdiction over the parent company following the consummation of the proposed transaction, and that the parent company will be bound by the provisions of the Final Judgment and the Modified Final Judgment when it is entered. The parties are hereby estopped from arguing that this Court lacks venue or jurisdiction over the subject matter of this action or over Concert. The parties further agree that following its formation, Concert will become a party to the Modified Final Judgment.

4. The parties to this Stipulation agree that as of the date of this Stipulation and pending entry of the Modified Final Judgment, MCI shall abide by the terms and conditions of Section II.A.3.ii of the Modified Final Judgment as though the same were in full force and effect as an order of the Court.

5. The parties to this Stipulation agree that if the Merger Agreement is consummated before the Modified Final Judgment is entered, they shall abide by all of the terms and conditions of the Modified Final Judgment as though the same were in full force and effect as an order of the Court.

6. The parties agree to notify the plaintiff in writing if MCI or Concert hereafter files with the Federal Communications Commission ("FCC") or the United Kingdom's Office of Telecommunications ("OFTEL") an application to assign (or transfer

control of) any license or authorization held by MCI or BT relating to telecommunications services between the United States and the United Kingdom, or if Concert seeks to reorganize its corporate structure so as to combine NewCo and BT in the same corporate entity as set forth in Section VII.B of the Modified Final Judgment.

7. The agreements governing disclosure to United States corporations that are referenced in Section IV.E of the Modified Final Judgment, shall provide that: (1) non-public information received from the Department of Justice shall be used solely in connection with the filing of a complaint with or providing information to governmental authorities in the United States or the United Kingdom, and not for any other purpose; (2) such information shall not be disclosed to any persons other than those officers, directors, employees, agents or contractors of the corporation who need such information in order to file a complaint, to determine whether a complaint should be filed or to provide information to any governmental authority in the United States or the United Kingdom, and to those government authorities (including, but not limited to, the FCC and OFTEL); (3) all persons to whom any non-public information is disclosed will be advised of the limitations on the use and disclosure of such information; and (4) if unauthorized use or disclosure occurs, the Department of Justice may revoke or otherwise limit further access to such information by the corporation or any person unless the Department of Justice decides, in its sole discretion, that such revocation is unnecessary under the circumstances. The Department of Justice may add further conditions to any agreements referenced in Section IV.E of the Modified Final Judgment if it determines that such conditions are necessary for the protection of any non-public information. Any actions taken by the Department of Justice to redress the

unauthorized use or disclosure of any non-public information shall neither preclude nor give rise to defendants' right to pursue a separate action against any person for the unauthorized use or disclosure of such information.

8. In the event plaintiff withdraws its consent, as provided in paragraph 2 above, or if the proposed Modified Final Judgment is not entered pursuant to this Stipulation, this Stipulation shall be of no effect whatever, and the making of this Stipulation shall be without prejudice to any party in this or any other proceeding.

FOR PLAINTIFF
UNITED STATES OF AMERICA

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Dated:_____

FOR BRITISH
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